



Arlington Finance Committee

Date: Wednesday, January 31, 2024.

Time: 7:30pm.

Location: O'Neill Community Room, Public Safety Building, 112 Mystic Street, Arlington, MA.

Minutes

Attendance: Christine Deshler, Christopher Heigham, Carolyn White, Joshua Lobel, Peggy Bliss, Charles Foskett, David McKenna, Sophie Migliazzo, Grant Gibian, John Griffin, Alan Jones, Darrel Harmer, Rebecca Younkin, Annie LaCourt, Michael Ruderman and Tara Bradley (Secretary).

Visitors: Jim Feeney (Town Manager) and Alex Magee (Deputy Town Manager/Finance Director).

1. FY25 Budget presentation: Feeney and Magee presented key information from the FY2025 budget and Long-Range Planning.
2. 1/29/2024 Minutes: approved unanimously with changes (Ruderman missed vote).
3. Town Manager.
 - a. VOTE: motion to accept \$734,671 Town Manager Taxation Total passed unanimously (Ruderman missed vote).
4. Libraries: singular proposed personnel addition in the FY25 Operating Budget is a part-time circulation librarian which will allow Robbins library to be open on Thursday mornings.
 - a. VOTE: motion to accept \$2,822,379 Library Taxation Total passed unanimously.
5. Ed Burns Arena Enterprise Fund.
 - a. VOTE: motion to accept \$688,787 in expenses offset by \$688,787 in revenue for the Ed Burns Arena Enterprise Fund was approved unanimously.
6. Recreation: Kid Care is moving to the Parmenter School. The plan is to use \$450,000 of Retained Earnings to increase capacity for the Kid Care programs.
 - a. VOTE: motion to accept \$2,632,205 in expenses offset by \$2,632,205 in revenue for the Recreation Enterprise Fund was approved unanimously.
7. Board of Assessors: proposal to spread out inspections year over year instead of all inspections being completed within the same year.

- a. VOTE: motion to accept \$344,942 Board of Assessors Total passed unanimously.

Budget	Total	Status	Date	Votes
Town Manager	\$734,671.00	Approved	1/31/2024	13-0-0
Libraries	\$2,822,379.00	Approved	1/31/2024	14-0-0
Ed Burns Arena Enterprise Fund	\$688,787.00 in expenses offset by \$688,787.00 in revenue	Approved	1/31/2024	14-0-0
Recreation Enterprise Fund	\$2,632,205.00 in expenses offset by \$2,632,205.00 in revenue	Approved	1/31/2024	14-0-0
Board of Assessors	\$344,942.00	Approved	1/31/2024	14-0-0

Meeting adjourned at 10:02 pm.

By Tara Bradley.

Reference 1: FY25 Budget Presentation – Feeney and Magee

Reference 2: Libraries FY25 Budget Chart

Reference 3: Assessors FY25 Budget

Town of Arlington FY2025 Budget Presentation

Town Manager Jim Feeney

Deputy Town Manager/Finance Director Alex Magee

Overview

- Budget Process
- Budget Overview
- Budget Highlights
 - Maintaining the Board's Override Commitments
 - Investments in Response to Community Needs
- Long Term Outlook
- Next Steps

Budget Process

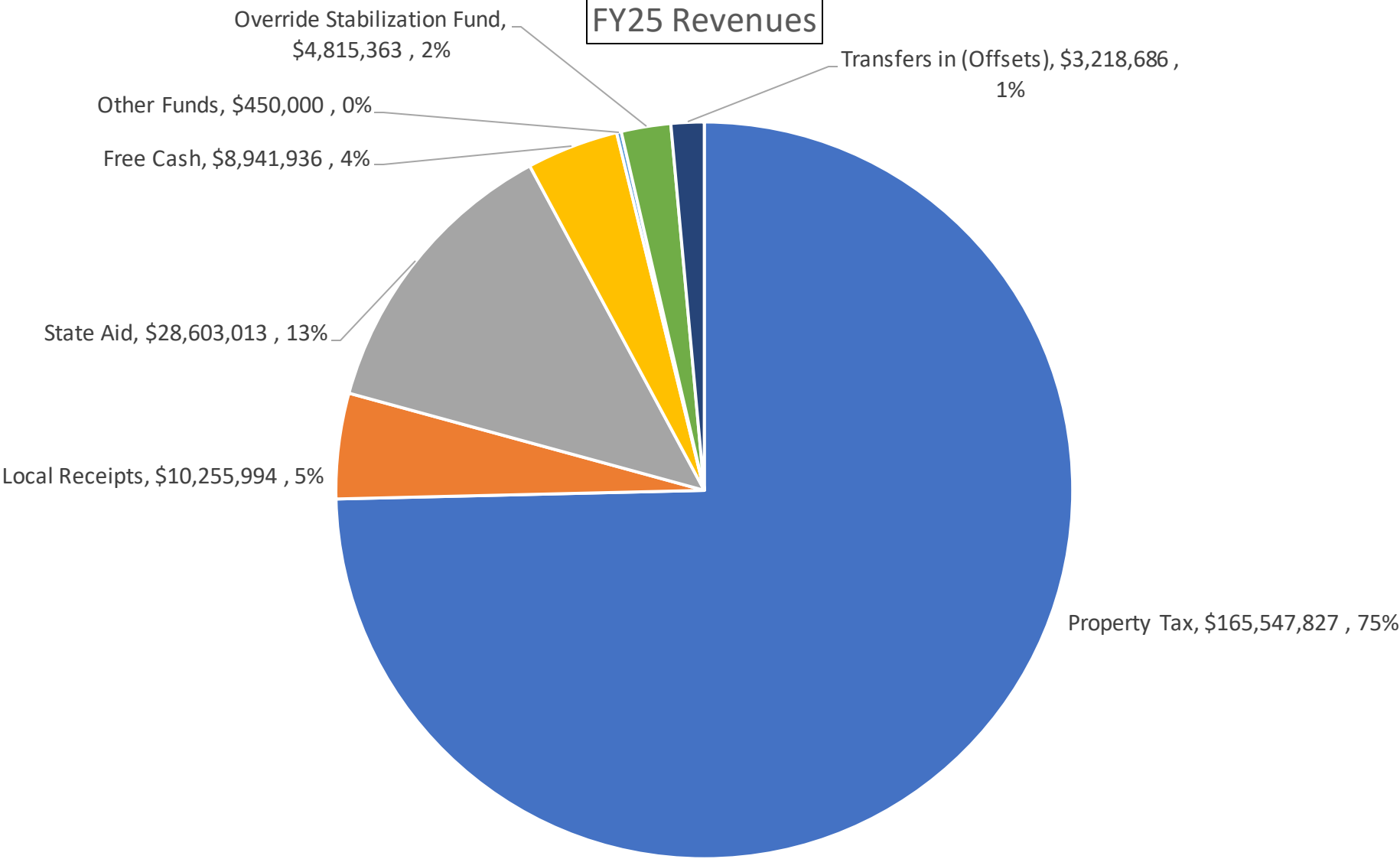
- **July** - Fiscal Year begins July 1st
- **August** - *Capital Budget* requests due to Town Manager
- **November** - *Operating Budget* requests due to Town Manager
- **January** - Budget books to Select Board and Finance Committee (FC) by January 15th
- **January/April** – FinCom hearings on budget
- **March** - Financial Plan to Select Board & FinCom by the end of March
- **April** - FinCom Report submitted to Town Meeting by mid-April
- **April/May** - Town Meeting adopts *Operating and Capital Budgets*
- **June** - Fiscal Year ends June 30th

Budget Overview - Revenue

	FY2024	FY2025	Change	
	Budget	Budget	\$	%
Revenue				
Property Tax	\$153,851,908	\$165,547,827	\$11,695,919	7.60%
Local Receipts	\$9,855,994	\$10,255,994	\$400,000	4.06%
State Aid	\$28,233,640	\$28,603,013	\$369,373	1.31%
Free Cash	\$7,956,044	\$8,941,936	\$985,892	12.39%
Other Funds	\$5,600,000	\$450,000	(\$5,150,000)	-91.96%
Override Stabilization Fund	*\$795,008	\$4,815,363	\$4,020,355	-
TOTAL TAXES, FEES, AID, AND OTHER SOURCES	\$206,292,594	\$218,614,133	\$12,321,539	5.97%
Transfers in (Offsets)	\$3,257,455	\$3,218,686	(\$38,769)	-1.19%
TOTAL REVENUES	\$209,550,049	\$221,832,819	\$12,282,770	5.86%

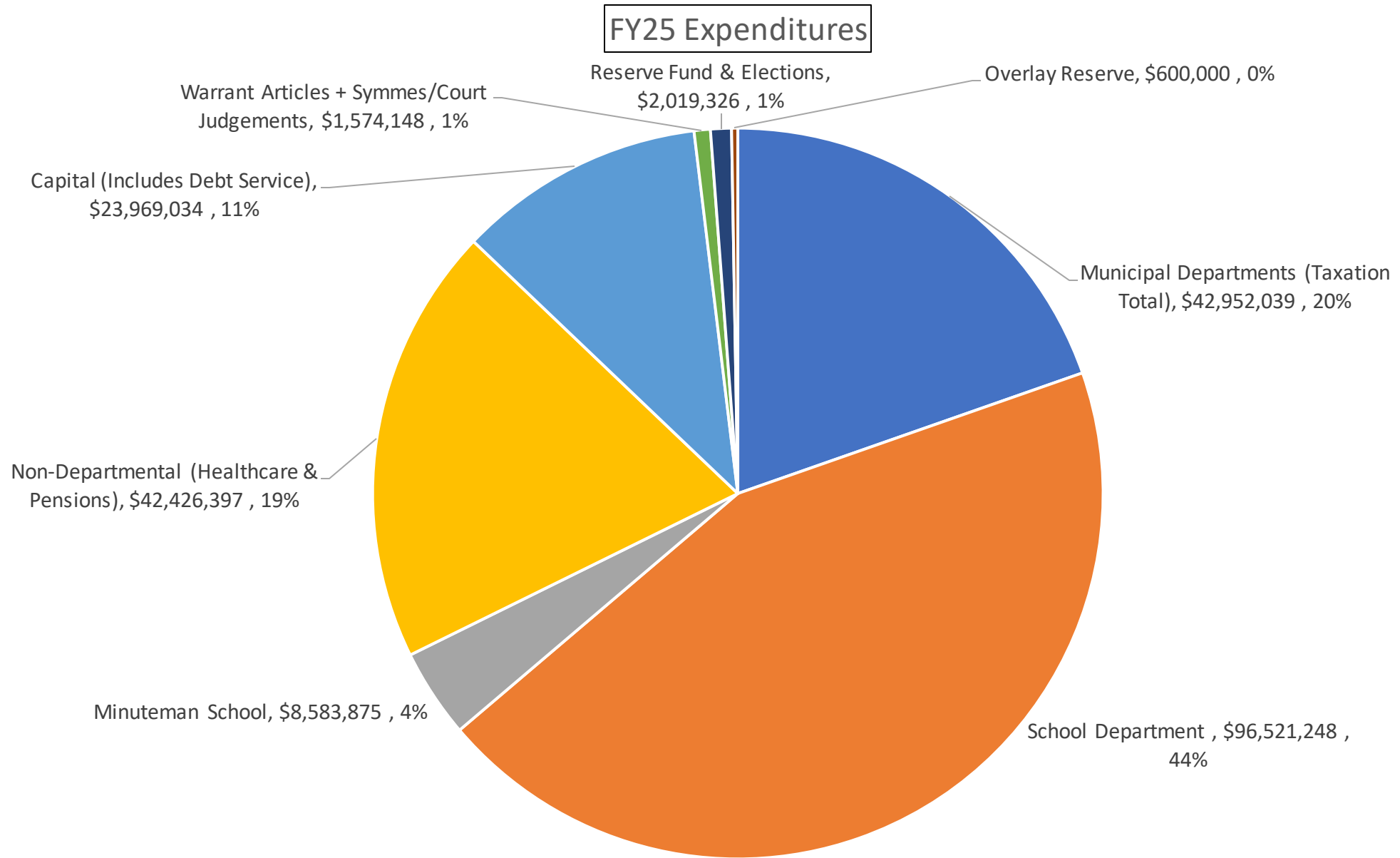
FY25 Revenues

Reference 1



Budget Overview - Expenditures

		FY2024	FY2025	Change	
		Budget	Budget	\$	%
Expenditures					
	Municipal Departments Appropriations *	\$44,627,453	\$46,170,725	\$1,543,272	3.46%
	Offsets and Indirect Costs	(\$3,257,455)	(\$3,218,686)	\$38,769	-1.19%
	Municipal Departments (Taxation Total)	\$41,369,998	\$42,952,039	\$1,582,041	3.82%
	School Department	\$89,347,334	\$96,521,248	\$7,173,914	8.03%
	Minuteman School	\$8,932,916	\$8,583,875	(\$349,041)	-3.91%
	Non-Departmental (Healthcare & Pensions)	\$40,290,512	\$42,426,397	\$2,135,885	5.30%
	Capital (Includes Debt Service)	\$22,365,767	\$23,969,034	\$1,603,267	7.17%
	Warrant Articles + Symmes/Court Judgements	\$1,366,835	\$1,574,148	\$207,313	15.17%
	Reserve Fund & Elections	\$1,900,782	\$2,019,326	\$118,544	6.24%
	Overlay Reserve	\$615,000	\$600,000	(\$15,000)	-2.44%
	Override Stabilization Fund Deposit	\$0	0		
TOTAL EXPENDITURES		\$206,189,144	\$218,646,067	\$12,456,923	6.04%



Budget Highlights

- Total Expenditure Growth 6.03%
 - Town Growth - \$1,332,041 - 3.22% (+\$250,000 Override Commitment)
 - School Growth - \$4,073,914 – 4.56% (+\$3,100,000 Override Commitment)
 - Pensions/Insurance - \$2,135,885 - 5.30%
- Town Expense Increases - \$270,717
 - MTP 9th Step
 - Utility Costs
 - Facilities – Maintenance Contract Increases
 - IT – BWC support; GIS Platform Modernization; Cybersecurity
 - Library – 1 Part Time Circulation Librarian
 - Will begin opening to public on Thursday mornings again
 - Streetlight Repairs/Replacements
 - Field Maintenance
- All Remaining Funds into Salary Reserve to settle future Collective Bargaining
- Budget Reductions
 - \$20,000 in Postage
 - \$7,000 in Cell Phones
 - ~\$3,000 in Software

FY25 New Requests

Department	Description	Personnel	Expense	Total
Facilities	Projected electric cost shortfall		\$55,000	\$55,000
Facilities	Security monitoring for additional buildings - Maple Street, Jefferson Cutter		\$6,000	\$6,000
Facilities	Landscape and snow removal costs for additional buildings Maple Street, Jefferson Cutter		\$30,000	\$30,000
HHS-BOH	Mosquito Control		\$1,038	\$1,038
Information Technology	ADP Body Camera ISP		\$10,000	\$10,000
Information Technology	GIS platform modernization		\$24,500	\$24,500
Information Technology	OpenGov subscription increase		\$3,000	\$3,000
Information Technology	Microsoft 365 licensing		\$15,000	\$15,000
Information Technology	End Point Detection & Response		\$47,000	\$47,000
Information Technology	Cybersecurity enhancement		\$5,000	\$5,000
Information Technology	Telephone expenses		-\$7,000	-\$7,000
Library	Half Time Library Assistant (Circulation)	\$18,439		\$18,439
Library	MLN Digital Content Fee		\$7,500	\$7,500
Planning	Training		\$3,600	\$3,600
Planning	ARB Advertising		\$1,000	\$1,000
Planning	ARB Printing		\$1,000	\$1,000
DPW Admin	Contracted Services		\$10,000	\$10,000
Street Lights	Contracted Services		\$15,000	\$15,000
Properties/Natural Resources	Field Maintenance		\$20,000	\$20,000
Treasurer's Office	Overtime	\$4,640		\$4,640
		\$23,079	\$247,638	\$270,717

Maintaining Board's Override Commitments

- This budget maintains the Board's commitment in regards to exercising fiscal discipline while maintaining quality municipal services.
- This budget maintains the Board's commitment to respond to ongoing school enrollment pressures.
- This budget maintains the Board's commitment to Building Arlington's Future.
- Actions separate from this budget, but already planned and/or undertaken have maintained the Board's commitment to minimizing the impact of last year's override on taxpayers, particularly seniors and those with income challenges.
- This budget maintains the Board's commitment to keeping a 5% financial reserve for the duration of the three year plan.

LRP Revenue Shortfall

- Tied to Chapter 70 State Aid (education funding)
- Carried 5% increase in FY25; state aid came in at 0.97% increase, creating a FY25 shortfall of approximately \$650,000
- The FY25 shortfall results in over \$1m deficit in FY26 after exhausting stabilization fund

Updated LRP - Governor's Budget Update

	FY 2024	FY 2025	Dollar Change	Percent Change	FY 2026	Dollar Change	Percent Change	FY 2027	Dollar Change	Percent Change	FY 2028	Dollar Change	Percent Change	FY 2029	Dollar Change	Percent Change
I REVENUE																
A. State Aid	28,233,640	28,603,013	369,373	1.31%	28,885,269	282,256	1.0%	29,170,348	285,079	1.0%	29,458,277	287,929	1.0%	29,749,085	290,808	1.0%
School Construction Aid	5,000,000	0	(5,000,000)	-100.00%	0	0	-	0	0	-	0	0	-	0	0	-
B. Local Receipts	9,855,994	10,255,994	400,000	4.06%	10,355,994	100,000	1.0%	10,455,994	100,000	1.0%	10,105,994	(350,000)	-3.3%	10,655,994	550,000	5.4%
C. Free Cash	7,956,044	8,941,936	985,892	12.39%	5,704,870	(3,237,066)	-36.2%	5,704,870	0	0.0%	5,704,870	0	0.0%	5,704,870	0	0.0%
D. Overlay Reserve Surplus	600,000	450,000	(150,000)	-25.00%	200,000	(250,000)	-55.6%	200,000	0	0.0%	200,000	0	0.0%	200,000	0	0.0%
E. Property Tax	153,851,908	165,547,827	11,695,919	7.60%	169,850,475	4,302,648	2.6%	174,107,611	4,257,136	2.5%	178,570,545	4,462,934	2.6%	183,155,646	4,585,101	2.6%
F. Override Stabilization Fund	795,008	4,815,363	4,020,355	505.70%	12,805,975	7,990,612	-	0	(12,805,975)	-	0	0	-	0	0	-
TOTAL REVENUES	206,292,594	218,614,133	12,321,539	5.97%	227,802,583	9,188,450	4.2%	219,638,823	(8,163,760)	-3.6%	224,039,686	4,400,863	2.0%	229,465,595	5,425,909	2.4%
II APPROPRIATIONS																
A. One Time COVID impact																
School Additions	1,000,000	3,100,000			1,700,000			600,000			300,000			0		
General Education Costs	57,312,461	61,351,257	3,038,796	5.30%	66,753,248	2,301,991	3.8%	70,876,830	2,423,582	3.6%	73,756,772	2,279,942	3.2%	76,140,590	2,083,818	2.8%
Special Education Costs	30,070,757	32,025,356	1,954,599	6.5%	34,107,004	2,081,648	6.5%	36,323,959	2,216,955	6.5%	38,685,016	2,361,057	6.5%	41,199,542	2,514,526	6.5%
Growth Factor	964,116	44,635	(919,481)	-95.4%	26,781	(17,854)	-40.0%	(214,248)	(241,029)	-900.0%	(490,985)	(276,737)	129.2%	0	490,985	-100.0%
Net School Budget	89,347,334	96,521,248	7,173,914	8.03%	102,587,033	6,065,785	6.3%	107,586,541	4,999,508	4.9%	112,250,803	4,664,262	4.3%	117,340,132	5,089,329	4.5%
Minuteman: Operating and Capital	7,112,915	6,753,684	(359,231)	-5.05%	6,990,063	236,379	3.5%	7,234,715	244,652	3.5%	7,487,930	253,215	3.5%	7,750,008	262,078	3.5%
Minuteman Exempt Capital	1,820,001	1,830,191	10,190	0.6%	1,830,191	0	0.0%	1,830,191	0	0.0%	1,830,191	0	0.0%	1,830,191	0	0.0%
Town Personnel Services	32,405,145	33,470,779	1,065,634	3.29%	34,558,579	1,087,800	3.2%	35,681,733	1,123,154	3.3%	36,841,389	1,159,656	3.2%	38,038,734	1,197,345	3.2%
Town Expenses	12,222,308	12,699,946	477,638	3.91%	13,112,694	412,748	3.2%	13,538,857	426,163	3.3%	13,978,870	440,013	3.3%	14,433,183	454,313	3.2%
Enterprise Fund/Other	3,257,455	3,218,686	(38,769)	-1.19%	3,323,293	104,607	3.2%	3,431,300	108,007	3.2%	3,542,817	111,517	3.2%	3,657,959	115,142	3.3%
Net Town Budget	41,369,998	42,952,039	1,582,041	3.82%	44,347,980	1,395,941	3.2%	45,789,290	1,441,310	3.3%	47,277,442	1,488,152	3.3%	48,813,958	1,536,516	3.2%
MWRA Debt Shift	0	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
B. Capital budget																
Exempt Debt Service	12,028,956	12,522,707	493,751	4.1%	12,393,129	(129,578)	-1.0%	12,157,188	(235,941)	-1.9%	12,066,529	(90,659)	-0.7%	12,066,529	0	0.0%
Non-Exempt Service	7,154,944	7,478,171	323,227	4.5%	7,913,301	435,130	5.8%	7,970,289	56,988	0.7%	8,042,402	72,112	0.9%	8,149,576	107,174	1.3%
Cash	3,918,856	4,952,417	1,033,561	26.4%	4,233,485	(718,932)	-14.5%	4,466,562	233,077	5.5%	4,788,319	321,757	7.2%	5,090,529	302,210	6.3%
Offsets/Capital Carry Forward	(736,989)	(984,261)	(247,272)	33.6%	(255,756)	728,505	-74.0%	(238,810)	16,946	-6.6%	(192,768)	46,042	-19.3%	(191,065)	1,703	-0.9%
Total Capital	22,365,767	23,969,034	1,603,267	7.2%	24,284,159	315,125	1.3%	24,355,229	71,070	0.3%	24,704,482	349,252	1.4%	25,115,569	411,087	1.7%
C. Pensions	14,133,735	14,994,696	860,961	6.1%	15,819,404	824,708	5.5%	16,689,471	870,067	5.5%	17,607,392	917,921	5.5%	18,575,799	968,407	5.5%
D. Insurance	22,077,822	23,253,524	1,175,702	5.3%	24,720,134	1,466,610	6.3%	25,968,243	1,248,109	5.0%	27,214,055	1,245,812	4.8%	28,574,443	1,360,388	5.0%
E. State Assessments	4,078,955	4,152,808	73,853	1.8%	4,253,877	101,069	2.4%	4,357,472	103,595	2.4%	4,463,657	106,185	2.4%	4,572,497	108,840	2.4%
G. Overlay Reserve	615,000	600,000	(15,000)	-2.4%	600,000	0	0.0%	600,000	0	0.0%	600,000	0	0.0%	600,000	0	0.0%
H. Reserve Fund	1,900,782	2,012,761	111,979	5.9%	2,026,035	13,274	0.7%	2,074,816	48,781	2.4%	2,119,732	44,916	2.2%	2,173,991	54,259	2.6%
I. Court Judgments/Symmtes	100,000	0	(100,000)	-100.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
J. Warrant Articles	1,266,835	1,574,148	307,313	24.3%	1,374,148	(200,000)	-12.7%	1,424,148	50,000	3.6%	1,374,148	(50,000)	-3.5%	1,424,148	50,000	3.6%
K. Override Stabilization Fund	0	0	0	-	0	0	-	0	0	-	0	0	-	0	0	-
L TOTAL APPROPRIATIONS	206,189,144	218,614,133	12,424,989	6.0%	228,833,024	10,218,891	4.7%	237,910,116	9,077,092	4.0%	246,929,832	9,019,716	3.8%	256,770,736	9,840,904	4.0%
BALANCE	103,450	0			(1,030,441)			(18,271,293)			(22,890,146)			(27,305,141)		
Free Cash	17,883,872	11,409,740			11,409,740			11,409,740			11,409,740			11,409,740		
Stabilization Fund	4,165,933	4,349,252			4,536,237			4,726,961			4,921,501			5,119,931		
Override Stabilization Fund	17,827,338	13,011,975			206,000			206,000			206,000			206,000		
Municipal Bldg. Ins. Trust Fund	658,179	664,761			671,408			678,122			684,904			691,753		
TOTAL:	40,535,322	29,435,728			16,823,385			17,020,824			17,222,145			17,427,424		
% of General Fund Revenue	19.6%	13.5%			7.4%			7.7%			7.7%			7.6%		
The plan does not include any projected revenues or expenditures from the Community Preservation Act																
Projected School Enrollment Growth FY 2020 - FY 2025																
	FY 2024**	FY 2025*			FY 2026*			FY 2027*			FY 2028*			FY 2029*		
Actual/Proj. Annual Growth	108	5			3			-24			-55			-68		
** Actual Growth - FY23 50% PPC of \$14,601 = \$7,300 X E.G																
* Projected Growth - FY2024 through FY2028 Based on 50% of FY21 DESE Per Pupil Cost of \$17,854 = \$8,927 X Enrollment Growth																

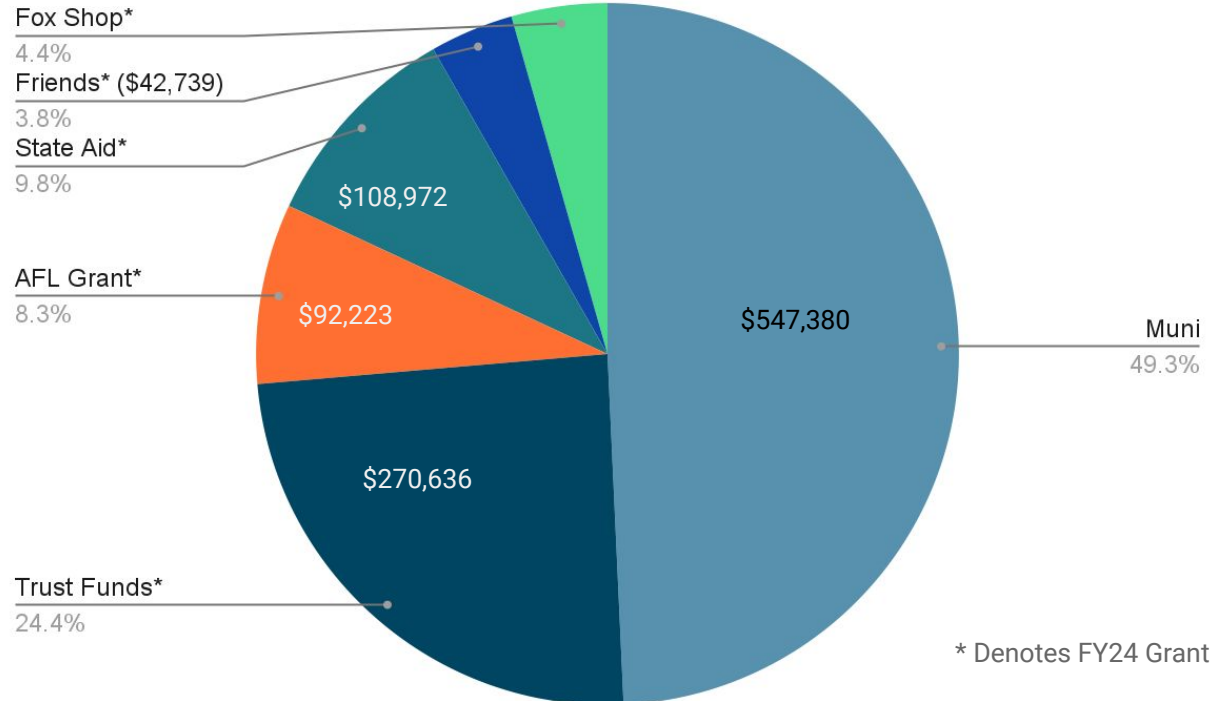
Potential Budget Adjustments

- Revenues
 - Local Receipts – Ambulance Revenues
 - FY23 - \$996,936
 - FY24 – YTD \$522,038
 - FY25 budgeted \$500,000
 - Overlay Reserve Surplus – Current balance ~\$3.1M
 - New Growth – Known project Assessments coming online in FY25
 - FY23 - \$1,205,059
 - FY24 - \$1,280,500
 - FY25 budgeted \$700,000
- Expenditures
 - Warrant Article and Capital Plan Supplemental Funding – ARPA
 - Master Plan
 - 250th Celebration
 - Capital – reviewing project eligibility

Robbins FY25 Operating Budget: \$3,349,732

FY25 Payroll:
\$2,238,782

Fox Offset:
\$30,000



Robbins FY25 Operating Budget: \$3,349,732

FY25 Payroll:
\$2,238,782

Fox Offset:
\$30,000

Fox Shop*

1.4%

State Aid*

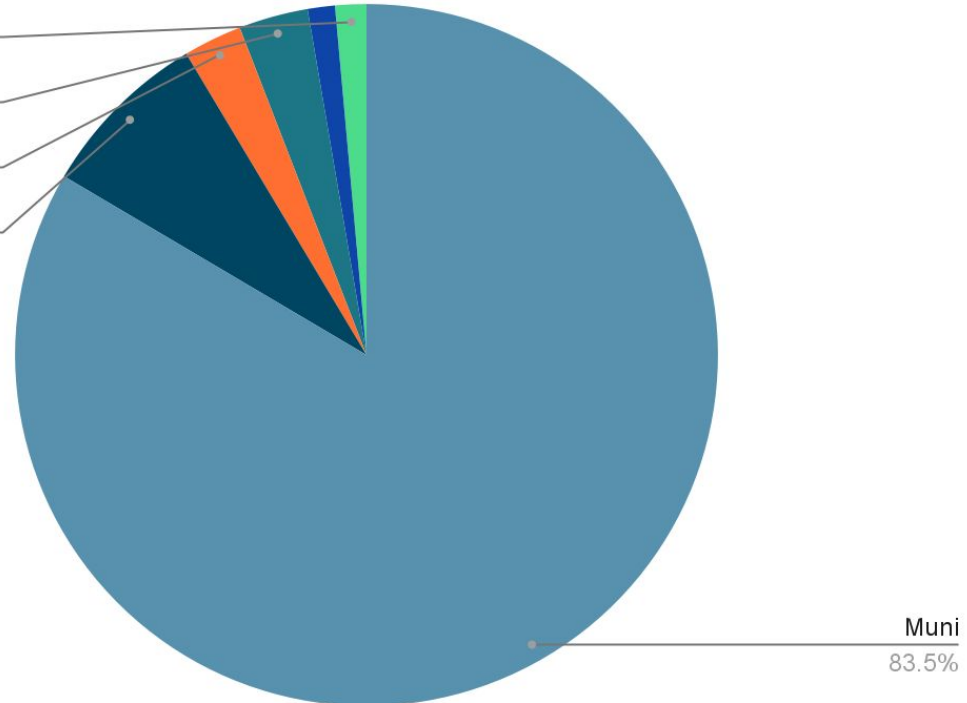
3.2%

AFL Grant*

2.7%

Trust Funds*

7.9%



* Denotes FY24 Grant

Board of Assessors

Arlington Finance Committee
January 31, 2024

Meeting with Assessors

- 1/30/2024
- Attending
 - Topher Heigham
 - Charlie Foscett
 - Dana Mann, Director of Assessments

Basic Data

- 15,533 parcels
- 20,460 households
- ~400 businesses
- 8,008 1-family
- 4,121 condos
- 2,016 2-family
- 174 3-family
- 1,124 others

Assessors Budget

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
0113781 ASSESSOR SALARIES						
5100 SALARIES & WAGES	275,450	278,545	296,350	304,362	8,012	2.70%
5103 OVERTIME	-	-	1,000	1,000	0	0.00%
5156 LONGEVITY	2,474	1,645	1,718	2,057	339	19.73%
5160 STIPENDS	1,275	850	1,275	1,275	0	0.00%
5161 AUTO ALLOWANCE	1,199	900	1,000	1,000	0	0.00%
0113781 ASSESSORS SALARIES	280,398	281,940	301,343	309,694	8,351	2.77%
0113782 ASSESSOR EXPENSES						
5206 COMPUTER MAINTENANCE	20,500	20,500	23,500	23,500	0	0.00%
5209 IN-STATE TRAVEL	350	735	2,148	2,148	0	0.00%
5219 CONSULTING	1,841	1,725	4,500	4,500	0	0.00%
5223 OFFICE SUPPLIES	2,208	2,039	3,900	3,900	0	0.00%
5299 OTHERWISE UNCLASSIFIED	750	1,077	1,200	1,200	0	0.00%
0113782 ASSESSORS EXPENSES	25,650	26,075	35,248	35,248	0	0.00%
ASSESSORS TOTAL	306,048	308,015	336,591	344,942	8,351	2.48%

Positions

- Stable
- Steps verified against union contract

Line items

- Stipends - clothing allowance per union contract
- Auto allowance - for inspectors visiting properties
 - IRS mileage rate is \$0.67/mile in 2024
- Computer maintenance - Patriot software
 - Computer Assisted Mass Appraisal (CAMA) system for creating valuations
 - Online WebPro - allows abatement requestors (and others) to search the database
- In-state travel - conferences and training for Mann, Suarez
- Consulting - for appellate tax board counsel and possibly expert witnesses
 - Since 2025 is a recertification year, which requires a lot of reports to the DOR, may have to purchase consultation from Patriot
- Otherwise unclassified
 - Time Clock Stamp service - \$190
 - Ricoh Copier Replacement cartridges - \$886

Abatements

- 43 requested as of 1/30/24. Deadline is 2/1/24. 43 requested last year.
- Board of Assessors will modify around a dozen valuations
- Around a dozen then appealed to the Appellate Tax Board
 - Commercial properties with large valuations - otherwise cost of appeal not worth it
 - Valuations negotiated there, using
 1. Comparative sales
 2. Net operating income
- No further appeal possible - can't go to court

Overlay account

- Controlled by Board of Assessors
- Funds abatements, exemptions, appellate tax board adjustments, unpaid collections
- \$3.136M total
- Budget adding \$600K to the Overlay Reserve - line G of Long Range Plan
- Budget deducting \$450K Overlay Surplus back to revenue - line D of LRP
 - \$450K is 5-year average

Revaluation

- No appropriation this year; appropriated \$100K in FY24 per state regulations
- Commercial/industrial revaluation and re-inspect personal property in businesses (e.g. computers, kitchen equipment)
- Bid was \$57.3K, same as 2020, much lower than expected
- Market revaluation of properties happens every year, used to be every 3 years

Move to cyclical inspections

- Must inspect properties every 10 years for valuation
- Used to do all properties in year 9
- Board of Assessors wants to use \$37K of leftover \$42.7K for 1500 cyclical inspections this year. Then do 1500 each of next 5 years to meet the state requirement. Then do 750/year
- Spreads out the cost
- Potentially captures new growth sooner
- Likely to be a contracting expense, not a new hire

When is the override applied?

- 50% on Aug and Nov 2024 bills
- 50% on Feb and May 2025 bills

Thank You